GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5175
ANSWERED ON:20.04.2001
BANK LOAN DEFAULTERS
DAGGUBATI RAMANAIDU

Will the Minister of FINANCE be pleased to state:

(a) the position regarding defaulting borrowers with outstanding one crore or above from public sector banks and financial institutions as on 31st March, 2000 and 2001, bank-wise and institution-wise; and

(b) the stringent measures being taken/proposed to be taken for the recovery of loan from these borrowers?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :

(a) The position regarding gross non-performing assets (NPAs) of Rs. One crore and above of public sector banks, for the year ended 31st March 2000. bank-wise, is given in the statement. The position regarding net NPAs (including those above Rs. one crore) of financial institutions viz. Industrial Development Bank of India, IFCI Ltd., ICICI Ltd., Small Industries Development Bank of India and Industrial investment Bank of India, for the yearended 31st March, 2000, financial institution-wise, is also given in the statement. The position regarding NPAs of public sector banks and institutions as on 31st March, 2001 are not available as they are yet to finalise their accounts.

(b) Government of India and RBI have advised the banks and financial institutions totake several steps for recovery of bank dues such as evolving and implementation of recovery policy, filing of suits with civil courts, filing cases with Debt Recovery Tribunals, compromise settlement through Settlement Advisory Committees and monitoring and follow up of non-performing accounts at various levels in the bank/financial institutions. RBI vide its circular dated 27th July. 2000 has framed non-discretionary and non-discriminatory guidelines for settlement of NPAs upto Rs.5 crore and advised banks to evolve their own policyfor loan outstandings of above Rs.5 crore. Effective action by banks for rehabilitation, one-time settlement for filing of suits in all necessary cases by 31.3.2001 has to be ensured by the chief executives. Action has also been initiated to bring in a legislation that will facilitate foreclosures and enforcement of securities in cases of default, in order to enable the banks and financial institutions to realize their dues.